

REMARKS

The Applicants respectfully request reconsideration and allowance of claims 24, 26, 29-34, 71, 73-75, 77-83, 85-94, and 96-103 in view of the above amendments and the following arguments.

I. THE TELEPHONE INTERVIEW

The Applicants appreciate the telephone interview conducted between the Applicants' attorney Russ Culbertson and Examiners Nguyen and Hotaling on May 28, 2008. In the telephone interview the participants discussed the requirement in U.S. Patent No. 5,275,400 to Weingardt, et al. (the "Weingardt patent" or "Weingardt"), that a pari-mutuel progressive pool is created by the deposit of funds from the common pool upon the attainment of a specified level of money in the common pool (Weingardt at col. 5, lines 26-28). The Applicants' attorney noted that by allowing the progressive pools to be funded only upon attainment of a specified level of money in the common pool, the Weingardt patent did not disclose funding progressive pools by a percentage of each wager placed through the gaming machine as set out in many of the present claims. Examiner Nguyen expressed the opinion that this disclosure was inherent in the Weingardt patent. This inherency comment is addressed fully below.

The Applicants' attorney also noted that the reference to "monetary payout" in the claims was not intended to be limited to coins. In particular, the term "monetary payout" is intended to encompass cash or credits issued to the player as set out in the original disclosure at page 3, lines 20-21.

No agreement was reached as to the allowability of the claims.

1 II. THE CLAIM AMENDMENTS

2 Claim 27 is canceled. Claims 82 and 93 are each amended above to clarify that in event
3 the gaming result is a winning progressive jackpot result, the gaming system pays the largest of
4 either the first progressive jackpot or the second progressive jackpot. This amendment is
5 supported by the disclosure in the original application at page 5, line 25 to page 6, line 4.

6

7 III. THE CLAIMS ARE NOT OBVIOUS OVER THE CITED REFERENCES

8 The Office Action rejected claims 24, 26, 27, 29-31, 33, 71, 73-75, 77, 78, 80, 82, 83, 85-
9 89, 91, 93, 94, 96-100 and 102 under 35 U.S.C. §103(a) as being unpatentable over the
10 Weingardt patent in view of U.S. Patent No. 5,344,144 to Canon (the “Canon patent” or
11 “Canon”). The Office Action also rejected claims 32, 34, 79, 81, 90, 92, 101 and 103 under 35
12 U.S.C. §103(a) as being unpatentable over Weingardt and Canon, and further in view of U.S.
13 Patent No. 5,393,061 to Manship (the “Manship patent” or “Manship”). The Applicants believe
14 that the claims are not obvious in view of the proposed combinations of Weingardt and Canon
15 and Weingardt, Canon, and Manship.

16 Claims 24, 26, 30-34, 71, 73, 74, 77-82, and 93

17 Each of Applicants’ independent claims 24, 26, 30-34, 71, 73, 74, 77-82, and 93 require
18 that a first progressive jackpot is funded by a first percentage of each wager placed through the
19 gaming machine or machines and that a second progressive jackpot is funded by a second
20 percentage of each wager placed through the gaming machine or machines. In order to meet this
21 claim language, for every single wager placed through the gaming machine or machines, that is,

1 for each wager, a first percentage of that wager is applied to the first jackpot and a second
2 percentage of that wager is applied to the jackpot.

3 Examiner Nguyen in the above-described telephone interview and the Office Action at
4 page 4, lines 2-4, suggests that this requirement that each wager is used to fund the progressive
5 jackpots is inherent in Weingardt because the common pool is used to fund the progressive pools.

6 The Applicants respectfully disagree that it is inherent in Weingardt that a first percentage of
7 each wager placed through the gaming machines in that system funds one pool and a second
8 percentage of each such wager funds a second pool.

9 The doctrine of inherency applies in the situation where a prior art reference does not
10 actually disclose a claimed feature, but the feature is necessarily present in the reference. See,
11 *Schering Corp. v. Geneva Pharm., Inc.*, 339 F.3d 1373, 1377 (Fed. Cir. 2003). "In relying upon
12 the theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to
13 reasonably support the determination that the allegedly inherent characteristic necessarily flows
14 from the teachings of the applied prior art." *Ex parte Levy*, 17 USPQ2d 1461, 1464 (Bd. Pat.
15 App. & Inter. 1990) (emphasis in original). In the present case the Applicants submit that
16 Weingardt does not disclose that a first percentage of each wager at a gaming machine in the
17 system funds a first progressive jackpot and a second percentage of each wager funds a second
18 progressive jackpot. The reason that each wager in Weingardt does not so fund the progressive
19 jackpots is that Weingardt specifically teaches that the pari-mutuel progressive pool is created by
20 the deposit of funds from the common pool upon attainment of a specified level of money in the
21 common pool (Weingardt at col. 5, lines 26-28). Weingardt further discloses,

1 A sufficient level must be maintained in the common pool to provide funds for the
2 payment of all winning bets at levels other than jackpots. The removal of funds from the
3 common pool for purposes other than the payment of hands from the standard pay table
4 may only be permitted when sufficient funds exist in the common pool to ensure the
5 integrity of the common pool. Weingardt at col. 5, lines 2-9.

6 Thus, although Weingardt also discloses certain formulae at columns 9-11 for funding
7 progressive prizes through a percentage of the wager applied to a corresponding coin column, it
8 is apparent from the above-identified disclosure from column 5 of Weingardt that not every
9 wager is applied in the respective formula, namely, wagers made before the specified level of
10 money is attained in the common pool.

11 Weingardt certainly discloses providing different progressive prizes at different bet levels
12 for a single winning combination. This is apparent from Figures 4-7 of Weingardt. As discussed
13 above, Weingardt fails to disclose providing multiple progressive prizes that are each funded by a
14 respective percentage of each wager. Starting from the system disclosed in Weingardt, in order
15 to meet the limitations as to funding multiple progressive prizes from each wager, one must
16 modify Weingardt such that each wager is used to fund multiple progressive pools. However,
17 such a modification would be contrary to the express teachings of Weingardt that progressive
18 pools are funded only once a specified common pool level is attained. The Applicants submit
19 that it would not have been obvious to one of ordinary skill in the art to so modify the system in
20 Weingardt in spite of the specific requirement in Weingardt that not every wager may be used for
21 funding progressive pools, namely, wagers made before the specified common pool level is
22 attained. Thus the Applicants respectfully submit that it would not have been obvious to one of
23 ordinary skill in the art to combine Weingardt and the Canon patent as suggested in the Office
24 Action.

1 The Applicants note the rationale for combining the Weingardt and Canon patents at page
2 4 of the Office Action,

3 Therefore it would have been obvious to one of ordinary skill in the art at the time of
4 applicant's invention to fund the multiple progressive jackpots with a portion of each
5 wager to produce the predictable result of a multiple progressive jackpot system with a
6 way for casino operators to track and verify the winnings and accounting data of the
7 jackpots (5:1-67).

8 The Applicants respectfully submit that the discussion in Canon at column 5 does not provide
9 any reason to modify the Weingardt system so that the multiple progressive jackpots of
10 Weingardt are funded with a portion of each wager, particularly in light of the prohibition of such
11 funding specifically disclosed in Weingardt (at col. 5, lines 2-8 and 26-28).

12 The Applicants would like to note at this point that determining progressive prize
13 amounts based on a percentage of the aggregate of coins played on the gaming machines as
14 described at col. 4, lines 19-36 of Canon is admittedly well known in the prior art. However, to
15 the Applicants' understanding, what is not known in the prior art is a progressive gaming system
16 as set out for example in Applicants' claim 24 in which (A) two progressive prizes are funded by
17 a respective percentage of each wager in the system and (B) the first progressive prize is paid for
18 a progressive win at one bet level and the second progressive prize is paid for the same
19 progressive win achieved at a second bet level. The Canon patent shows A but does not show B.
20 The Weingardt patent shows B but does not show A, and further suggests (at col. 8, lines 47-60)
21 that the ability to provide B (progressive payouts at different bet levels) is facilitated by the
22 common pari-mutuel pool system which in fact prohibits A as set out at col. 5, lines 2-8 and 26-
23 28. Under these circumstances, the Applicants submit that there is no reason in the prior art to
24 combine the Weingardt and Canon as proposed in the Office Action.

1 For all of these reasons the Applicants respectfully submit that claims 24, 26, 30-34, 71,
2 73, 74, 77-82, and 93 are not obvious over Weingardt and Canon, and are entitled to allowance
3 together with their respective dependent claims.

4 Independent Claim 29

5 As noted above, the Office Action rejected claim 29 as being obvious in view of the
6 combination of Weingardt and Canon. However, claim 29 requires that the gaming system in
7 which the method is performed comprises a single gaming machine, whereas the Weingardt
8 reference is clearly dependent upon a system of gaming machines through which players may
9 compete against each other to win from the common pool (Weingardt at col. 3, lines 52-53). It is
10 not apparent how the system in Weingardt could be modified in view of Canon or any other
11 reference such that the system could be implemented with a single gaming machine. It appears
12 multiple gaming machines are required in order to build the common pari-mutuel pool.

13 Because there is no apparent reason in the prior art to modify the Weingardt system to
14 employ a single gaming machine, the Applicants believe that claim 29 is not obvious in view of
15 the proposed combination of Weingardt and Canon, and that the claim is entitled to allowance.

16 Claims 32, 34, 79, 81, 90, 92, 101, and 103

17 All of claims 32, 34, 79, 81, 90, 92, 101, and 103 either directly, or through dependency
18 on another claim, require the same limitations discussed above regarding claims 24, 26, 30-34,
19 71, 73, 74, 77-82, and 93. The Office Action cited the Manship patent for its disclosure of
20 activating a plurality of paylines in a reel-type game. However, nothing in the Manship patent
21 makes up for the deficiencies of the proposed combination of Weingardt and Canon with respect
22 to the claims 24, 26, 30-34, 71, 73, 74, 77-82, and 93. Thus the proposed combination of

1 Weingardt, Canon, and Manship cannot include all of the limitations required in 32, 34, 79, 81,
2 90, 92, 101, and 103.

3 Furthermore the Applicants submit that the mere mention in Weingardt that the pari-
4 mutuel system disclosed in that patent is applicable to reel-type machines (at Weingardt, col. 6,
5 lines 35-45) does not provide any reason for modifying Weingardt to include the various payline
6 activation arrangements set out in claims 32, 34, 79, 81, 90, 92, 101, and 103.

7 For all of these reasons the Applicants submit that claims 32, 34, 79, 81, 90, 92, 101, and
8 103 are not obvious in view of the proposed combination of Weingardt, Canon, and Manship,
9 and are entitled to allowance.

IV. CONCLUSION

For all of the above reasons, the Applicants respectfully request reconsideration and allowance of claims 24, 26, 29-34, 71, 73-75, 77-83, 85-94, and 96-103.

If any issue remains as to the allowability of these claims, or if a further telephone conference might expedite allowance of the claims, the Examiner is asked to telephone the undersigned attorney prior to issuing a further action in this case.

7 Respectfully submitted,

8 The Culbertson Group, P.C.

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10 Dated: _____

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